

CITY OF DONCASTER COUNCIL

SUPPORTING SMALL BUSINESSES (SSB) RELIEF SCHEME 2023

Background

1. Local Authorities have the power to grant Discretionary Rate Relief to Ratepayers that meet certain criteria. The amount of relief granted is used to reduce the amount the Ratepayer owes in Business rates.
2. At the 2022 Autumn Statement the Chancellor announced that the 2023 Supporting Small Business (SSB) scheme will cap bill increases at £600 per year for any business losing eligibility for some or all Small Business Rate Relief or Rural Rate Relief at the 2023 revaluation for the financial years 2023/24 to 2025/26. SSB was first introduced at the 2017 revaluation to support ratepayers facing bill increases greater than the Transitional Relief caps due to loss of Small Business Rate Relief or Rural Rate Relief.
3. The government is not changing the legislation around transitional relief. Instead the government will, in line with the eligibility criteria for the Supporting Small Businesses scheme, reimburse billing authorities that use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988, as amended, to grant relief. Central government will fully reimburse local authorities for the local share of the Supporting Small Businesses relief (using a grant under section 31 of the Local Government Act 2003). In view of the fact that such expenditure will be reimbursed, the government expects billing authorities to grant Supporting Small Businesses relief to all qualifying ratepayers.
4. The Council would like to support qualifying small businesses by utilising its discretionary powers through the application of this policy.

Legislation

5. S47 of the Local Government Finance Act 1988, as amended by the Localism Act 2011, states the Authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. It also requires a local authority to have regard to any relevant guidance issued by the Secretary of State when deciding whether to grant relief.

Who Pays For The Relief Granted?

6. The government will fully reimburse billing authorities and major precepting authorities for their loss of income under the rates retention scheme as a result of awarding the relief that falls within the definitions in this scheme.

Purpose

7. The purpose of this Policy is to specify how the Council will operate its discretionary powers in the Local Government Finance Act 1988 and to indicate the factors we will consider when deciding if Supporting Small Business Relief can be awarded.

8. The Council will consider awarding Supporting Small Business Relief to all ratepayers who meet the qualifying criteria as specified in this scheme. All ratepayers that receive Supporting Small Business Relief will be treated equally and fairly. We will share information with other public bodies and grant funders to prevent and detect fraud and duplication of aid and assistance in respect of Business Rates.

Consultation

9. There is no statutory requirement to consult on these relief schemes. Given the Council is proposing to award relief strictly in accordance with the government guidance for the schemes and will be fully reimbursed by Central Government, it was not considered necessary to undertake any general consultation.

How Supporting Small Businesses Relief will be awarded

10. Doncaster Council will automatically calculate and award the relief to those properties that meet the qualifying criteria set out below.

Who is eligible for the 2023 Supporting Small Business Relief and how much relief will be available?

11. 2023 Supporting Small Business Relief will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their Small Business, Rural Rate Relief or 2017 Supporting Small Business Relief and, as a result, are facing large increases in their bills. Charities and Community Amateur Sports Clubs, who are already entitled to mandatory 80% relief, are not eligible for 2023 SSB.
12. To support these ratepayers, 2023 SSB will ensure that the increase in the bills of these ratepayers is limited to a cash value of £600 per year. This cash maximum increase ensures that ratepayers do not face large bill increases in 2023/24 after transitional relief and small business rate relief (as applicable) have been applied. In order to simplify the scheme, the 2023 SSBR will not include minimum percentage bill increases (unlike the 2017 scheme).
13. Those on 2023 SSB whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for 2023 SSB.
14. The 2017 Supporting Small Business Relief scheme was provided to support small and medium ratepayers who had seen large increases in their bills at the 2017 revaluation. They have, therefore, had 6 years of support to allow them to adjust to their full 2017 bills. Therefore, for those ratepayers receiving 2017 Supporting Small Business relief in 2022/23, any eligibility for 2023 SSB will end on 31 March 2024. Authorities should ensure this eligibility criteria is clear in the scheme approved by their council and that relief for these ratepayers is awarded for one year only so that the relief can then be withdrawn on 31 March 2024 without further notice. All other eligible ratepayers remain in 2023 SSBR for either 3 years or until they reach the bill they would have paid without the scheme. A change of

ratepayers will not affect eligibility for the Supporting Small Business scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

15. There is no second property test for eligibility for the 2023 SSB scheme. However, those ratepayers who during 2022/23 lost entitlement to Small Business Rate Relief (because they failed the second property test) but have, under the rules for Small Business Rate Relief, been given a 12 month period of grace before their relief ended - can continue on the 2023 SSB scheme for the remainder of their 12 month period of grace.
16. Where the valuation officer issues a certificate of rateable value under regulation 18 of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022 certifying the correct rateable value at 1 April 2023 (in circumstances where they cannot by rule now amend the list for 1 April 2023) then eligibility for 2023 SSB and the calculation of 2023 SSB will be revised using the regulation 18 certified value in place of the value shown in the list for 1 April 2023. As with the transitional relief scheme, this should have effect as regards the days referred to in regulation 18(4) (the effective date of when the list was altered to correct the inaccuracy and subsequent days) or regulation 18(5) (where no alteration has been made).

Sequence of reliefs

17. Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for 2023 SSB. And, for the avoidance of doubt, small business rate relief or rural rate relief should not be applied to further reduce the bill found under 2023 SSB (to avoid the double counting of relief – see the detailed rules in section 2). For example,
 - a ratepayer eligible for Small Business Rate Relief whose rateable value has increased from £3,000 (paying £0 in 2022/23) to £14,000 would be paying the following in 2023/24 before 2023 SSB:
 - Bill before reliefs: £6,986,
 - Bill after transitional relief: £1,572
 - Bill after Small Business Rate Relief (@1/3): £1,048.
 - After 2023 SSBR the bill for 2023/24 would be reduced to £600. No further Small Business Rate Relief should be applied to the £600 bill.
18. The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate should not further reduce the bill found under the 2023 SSB.
19. All other discretionary reliefs, including those funded by section 31 grants, should be considered after the application of 2023 SSB.

Subsidy Control

20. The 2023 SSBR is likely to amount to a subsidy. Therefore, any relief provided by Doncaster Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations.
21. To the extent that a local authority is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the 2023/24 year and the two previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted under the £315,000 allowance.
22. In those cases where it is clear to the local authority that the ratepayer is likely to breach the cash cap or the MFA limit then we will automatically withhold the relief. Otherwise, we will include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the authority if they are in breach of the cash caps or MFA limit.

Recalculation of Reliefs

23. As with other reliefs, the amount of 2023 SSB awarded should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year.
24. Under regulations made under section 47 of the Local Government Finance Act 1988 authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). But within these regulations, local authorities may still make decisions which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.
25. Therefore, any award for 2023 SSB, is subject to the property's continuing eligibility. If the use of the property changes so that it is no longer eligible, the relevant chargeable amount must be recalculated to reflect that fact. And this scheme also provides that eligibility for those ratepayers previously in the 2017 SSBR scheme in 2022/23 are eligible for one year of relief only so that the relief can then be withdrawn from those ratepayers on 31 March 2024 without further notice.
26. A new hereditament created because of a split or merger during the financial year or a change of use will be considered afresh for the relief from that date in accordance with the following principle:

- that the protection offered by the 2023 SSB scheme (that the bill will not rise by the greater of £600 p.a.) will continue to apply in principle to that part of the newly created hereditament which was immediately before the creation day in the 2023 SSB scheme, and
- that increases (or reductions) in overall rateable value arising from the split or merger are not subject to the protection of the 2023 SSB scheme

How Payments will be made

27. All relief awarded will be credited to the ratepayer's Business Rates account.

Overpayments

28. The Council will recover all overpayments of Supporting Small Businesses Relief through the ratepayer's Business Rates account.

Right of Appeal

29. If you are aggrieved by a decision made under this policy, you must write and tell us why you think the decision is wrong, e.g. whether the published criteria has been properly applied.

30. Your case will then be considered by someone who has not been involved in the original determination.

31. They will thoroughly check all the information we hold regarding the property along with the details in the relief application and any further information you have provided. They will decide whether or not the criteria have been properly applied. They could then: -

- Decide not to change the decision;
- Change the decision and award Supporting Small Businesses Relief.

32. They will write to tell you what has happened, normally within 21 days of reconsidering your appeal.

Fraud

33. The Council is committed to the fight against fraud in all its forms. A ratepayer who tries to fraudulently apply for Supporting Small Businesses Relief by falsely declaring their circumstances or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect that such a fraud may have occurred, the matter will be investigated in line with the Council's Anti-Fraud Strategy. This may lead to criminal proceedings being instigated.

Publicity and Information

34. The Council will include information about the Supporting Small Businesses (SSB) Relief Scheme 2023 in the Business Rates Section of the Council's website and other appropriate places.

Review

35. The policy will be reviewed periodically, taking into account any changes in legislation or guidance from Central Government regarding the funding for this relief.